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Questions submitted to the
Board of Directors of the Hamilton
Convention Centre re. management
report by MacGillivray & Co
by Alderman Brian Henkley
April 1982

QUESTIONS SUBMITTED
TO
THE BOARD OF DIRECTORS
OF THE
HAMILTON CONVENTION CENTRE

RE: MANAGEMENT REPORT
FEBRUARY 21, 1982
MacGILLIVRAY & CO.
CHARTERED ACCOUNTANTS

BY
ALDERMAN BRIAN HINKLEY

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GOVERNMENT DOCUMENTS

APRIL 5, 1982

ENTERTAINMENT AND TRAVEL EXPENSES
Account No. 3321-0161

Page 1 of the Management Report.

- Questions:
1. What were the control mechanisms in place for this account and how were expenditures authorized?
 2. Who would have knowledge as to when this account reached its budgeted allocation?
 3. (a) How were the expenses for the Christmas party that was held at the home of Robert Darling approved?
(b) How many people attended the party?
(c) Was the party restricted to the Board of Directors, or were others present?
(d) Did any Director of the Board know that the party was paid for out of Convention Centre funds?

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4. The accounting system requires that expense reports be approved by the Board Chairman. If expense, or any other accounts are overspent or used for purposes other than initially allocated, and if approval by the Chairman was given, what are the possible implications vis a vis the responsibility of the General Manager and the Chairman of the Board?
 - (a) Is the General Manager exonerated and no longer answerable for overspent accounts?
 - (b) Does the General Manager still owe responsibility to the Chairman to present only expense reports within budget?
 - (c) Is the Chairman fully responsible and answerable for approving expense reports, regardless of amounts spent?
 - (d) Is there a joint responsibility on the part of both the Chairman and the General Manager?
5. It is noted by the auditor that mileage expenses were incurred by the General Manager and it is being questioned by the auditor as to whether these claims should have been paid.

Will the Board initiate steps to recover any monies paid to the General Manager that may have been paid in excess of permitted allowances?

eg. This may include expenses for private parties, private vacation trips etc. if it is established that the Convention Centre has not been reimbursed.

6. (a) Will the Board determine who was the client that was entertained in the home of John Pilato on December 13th and:

(b) the nature of client's business?

(c) the purpose of the party?

(d) those who were in attendance?

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7. (a) Has the Board questioned the Assistant General Manager regarding the payments out of petty cash and the purposes for these payments?

(b) What was the purpose for these payments?

(c) Is the Board satisfied with the reasons given?

Account No. 3321-0191

8. The first sentence in this section of the report is unclear. If the budget for this account was set at \$5,000 and it was considerably overspent how did a balance of \$17,598 occur?

9. (a) The report indicates that the following item was passed by the Board of Directors at their meeting of September 16th, 1980.

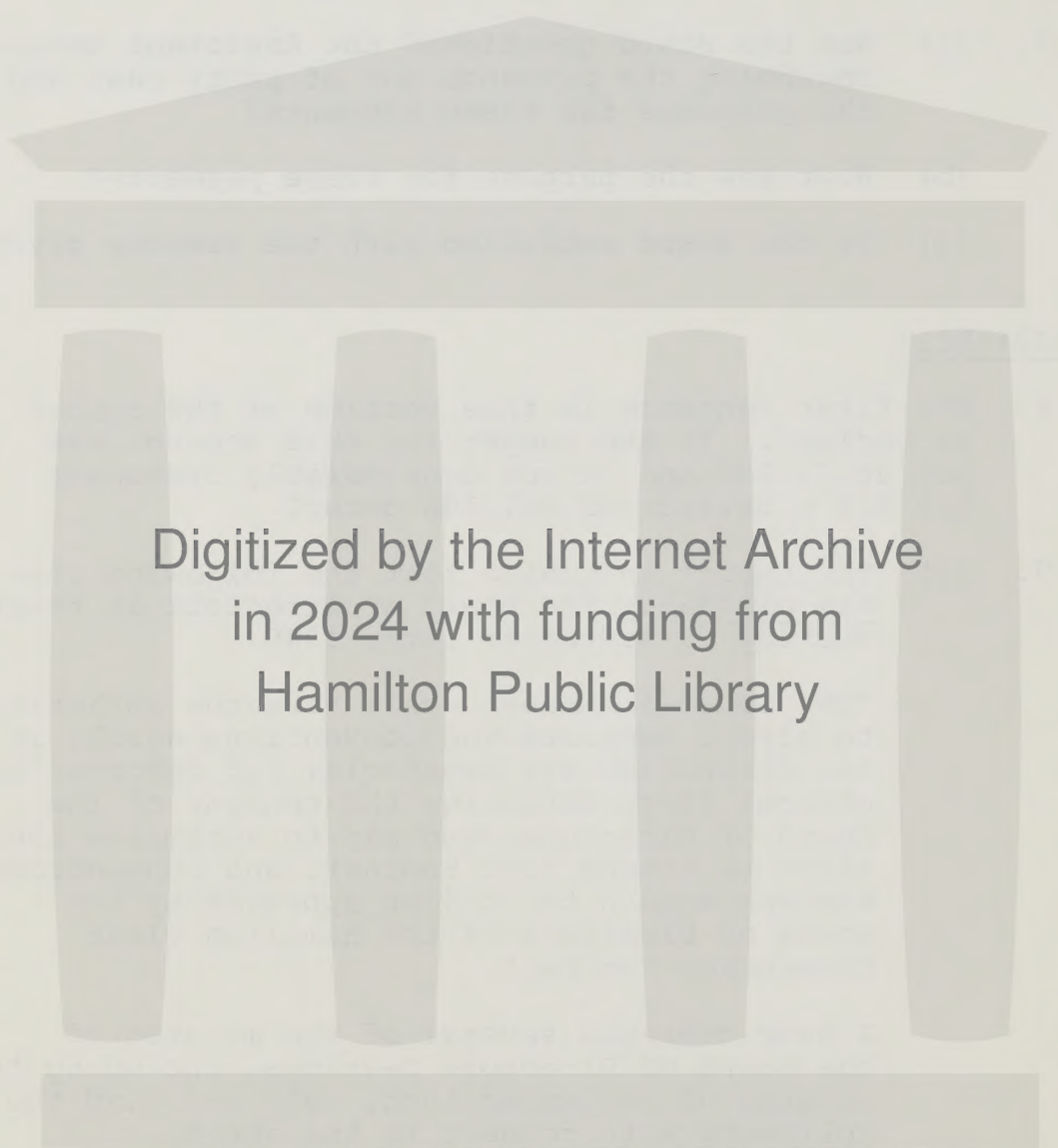
"The General Manager shall have the authority to attend Seminars and Conventions which, in his discretion are beneficial and informative, without first obtaining the consent of the Board of Directors, and may so authorize the staff to attend such Seminars and Conventions, keeping within the budget approved by the Board of Directors of the Hamilton Place Convention Centre."

I have reviewed several of the minutes of the Board of Directors meetings, including the minutes of September 16th, 1980 and find the following with respect to the above.

Guidelines for
General Manager

"The Board proceeded to review the suggested guidelines for the responsibilities of the General Manager, and following discussion, it was agreed that they be received."

This may be a semantical point, but I question whether the Board actually approved all fifteen points outlined under "Guidelines for General Manager."



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In all other areas that I have examined, the minutes use the following wording:

"the board approved"

"the board agreed"

"the board accepted"

In view of recent events, will the Board review thoroughly the "Guidelines for the General Manager" as they are outlined and received at the September, 1980 meeting of the Board?

- (b) Will the Board clarify the terminology used when taking action on matters under discussion?

RENTAL OF AUDIO-VISUAL EQUIPMENT

- Page 9 10. Was the Convention Centre charged for the use of the audio-visual equipment for the purposes of viewing pornographic films?
11. Does any present or past Board of Director have any financial, business or personal interest with any of the suppliers of goods or services to the Convention Centre either at this present time or while serving on the Board?

AGREEMENT WITH HAMILTON CONVENTION AND SHOW SERVICES LIMITED

- Page 10 12. Will the Board thoroughly review the arrangements with the Hamilton Convention and Show Services Limited to determine if any monies are owing?
13. If monies are owing, will the Board take the required action to rectify this matter?

CONTROL OVER LIQUOR BEER AND WINE TICKETS

- Page 14 14. Will the Board initiate further investigations into the lack of control over these tickets and provide more clarity regarding the discrepancies that have occurred?

SEMI-AUTOMATIC SEATING

- Page 20 15. In the minutes of the October 21st, 1980 meeting of the Board the following is found:

Sub-Committee for
Telescopic Seating

"With respect to the establishment of a sub-committee for the telescopic seating, Mr. Pilato was directed to prepare preliminary estimates and recommendations for the sub-committee which will be appointed at a later date."

Was this sub-committee ever established?

16. If not, why not?

17. (a) In view of the concern regarding the use of this seating, will the Board review all aspects of the purchase, quality, price, use, storage, set-up charges, etc. of this equipment; and specifically determine:
- (b) the need for the seating?
 - (c) cost of comparable or other seating?
 - (d) time and cost of set-up?
 - (e) if the physical effort to set-up the seating conforms to acceptable safe working procedures?
 - (f) any details of the contract with the Hussey Seating Company which may be reconsidered?
 - (g) if any informal arrangements were agreed upon between Hussey Seating Company and the General Manager?

CASH DEPOSITS

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18. Who had access to the Convention Centre vault?
19. Will the Board of Directors determine and advise City Council if all cash monies in the keeping of the Convention Centre from the period June 25th, 1981 to September 30th, 1981 remained in the vault of the Convention Centre or if any money was taken out for other purposes?

OTHER QUESTIONS

20. During the course of the audit, were you able to determine:
- (a) If any expenses were charged to the Convention Centre for parties in John Pilato's office?

- (b) If so, what was the purpose of the parties?
 - (c) Who were in attendance?
 - (d) If expenses were charged to the Convention Centre for parties or receptions during any of the following events:
 - (i) 1981 Better Living Showcase
 - (ii) Sugar-Ray Leonard Fight
 - (iii) a wrestling match
 - (e) If so, what was the purpose of the parties?
 - (f) Who was in attendance?
 - (g) If any expenses were charged to the Convention Centre for parties held at the residences of any other staff of the Convention Centre?
 - (h) The disposition of the part bottles of liquor left over from events?
 - (i) The cost of the kitchen installation in John Pilato's office?
 - (j) The approval of this installation?
 - (k) The need and purpose for this installation?
21. (a) During the course of the audit, was Margaret Low, the Convention Centre's bookkeeper, interviewed?
- (b) Will the Board provide Mrs. Low with a copy of the management report and request her to provide any clarification on these matters in which she may have knowledge?
22. Will all the employees be interviewed with a view to clarifying any unresolved matters?

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